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Government
Publications

Orientation Booklet for Appointees to Agencies, Boards and Commissions



Ontario



The Management
Board of
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WELCOME

Welcome to the Ontario government. You likely have a number of questions about what your appointment means . . . How do you fit into the organization of the government? What are your responsibilities, rights and benefits?

This booklet will give you an orientation to government and information about your personal benefits. Your agency head, staff of the agency or staff of the ministry responsible for the agency to which you have been appointed will gladly answer any further questions you may have.

AGENCIES, BOARDS AND COMMISSIONS

Agencies, Boards and Commissions (here on referred to as agencies) are defined in Management Board of Cabinet Directives* as:

- organizational units with ongoing responsibilities which are formally established or pursuant to specific Ontario statutes, regulations or Orders-in-Council, and to which the majority of members are appointed or elected by, or subject to, the approval of the Lieutenant-Governor or a minister, or
- corporations to which the Government, whether directly or indirectly, holds more than 50 per cent of the issued and outstanding shares with voting rights and/or appoints a majority of the members of the managing board, or
- organizations other than ministries designated or constituted as agents of Her Majesty the Queen in Right of Ontario.

Agencies also include any ad hoc bodies established on an interim basis to perform arbitration, regulation or similar functions.

There are about 250 agencies in Ontario.

**The Management Board of Cabinet Directives set out the administrative policies for the Ontario government's ministries and agencies.*

WHAT ARE AGENCIES, BOARDS AND COMMISSIONS IN THE ONTARIO GOVERNMENT?

WHY ARE AGENCIES ESTABLISHED?

ARE AGENCIES GROUPED ACCORDING TO THEIR ACTIVITIES?

Agencies serve an important role in fulfilling the government's overall objectives. Because of the structure of agencies, they need less government involvement and can be more flexible than the departmental system of ministries in administering a program or performing a function.

An arms length relationship between the government and the administration of certain activities is possible through agencies. For regulatory agencies, this is particularly important — independent decision-making is essential to their mandate.

Agencies are often put in place to ensure public involvement. Some agencies are required by the government to include a cross-section of opinion, expertise and/or interest groups.

Agencies' activities vary widely. Management Board of Cabinet's Directives set a broad framework of functions and schedules for classifying agencies. There are three classifications by function.

ADVISORY — Agencies which provide information to help in policy development or ongoing program delivery, such as the Ontario Agricultural Museum Advisory Board and the Premier's Advisory Committee on Executive Resources.

OPERATIONAL — Agencies which provide direct goods and services in order to implement approved government policy and programs, such as the Liquor Control Board of Ontario and the Ontario Heritage Foundation.

REGULATORY — Agencies which have control of public or private sector operations as authorized by government legislation, or which exercise an appeal function with respect to both government and third-party decisions, such as the Ontario Municipal Board and the Social Assistance Review Board.

Three schedules represent varying degrees of government involvement in agencies' management practices and procedures. These schedules are based primarily on the agencies' degree and reliance on government funding:

SCHEDULE I — Most of Ontario's agencies (about 200) fall into this group, including advisory, operational and regulatory agencies. Schedule I agencies are administratively most closely tied to the government. Their funding comes from the government or from monies collected from the public through levies (i.e. admission fees, parking, or fees for services). Some examples include the Ontario Energy Board and the Advisory Committee on Sport, Fitness and Recreation Safety.

SCHEDULE II — The 25 agencies assigned to this schedule carry out an aspect of public policy, but have a commercial orientation. All these agencies are operational and provide goods and services in competition with, or instead of, private sector organizations. For the most part, these agencies are self-funding from the revenues generated by their programs. Some examples include the Metropolitan Toronto Convention Centre Corporation and the Ontario Training Corporation.

SCHEDULE III — Schedule III includes about 25 agencies that are non-profit, social and/or cultural in nature. Their funding comes, in whole or in part, from the government or from monies collected from the public through levies. Some examples include the McMichael Canadian Collection and the Workers' Compensation Board.

All agencies have a legislative base. They report to the Legislature through a Minister, whether through or pursuant to their own statute, or through a ministry's act. The Minister is the key person to answer publicly (in the Legislature or through the media) any concerns or issues to do with the administration of an agency within his/her jurisdiction.

HOW ARE PEOPLE APPOINTED?

Each agency has a board responsible for the overall management of the agency. The board is usually comprised of a chair, a vice-chair, and a number of members. The composition and number of members to be appointed to a specific agency's board is set out in its constituting instrument. The government appoints individuals to these boards and sometimes appoints senior executives within agencies.

Appointments to agencies are most often made through an Order-in-Council, an executive instrument recommended by the premier or a minister, approved by Cabinet, and given Royal Assent by the Lieutenant-Governor. Some appointments can be made through a ministerial letter.

At any given time, there are about 3,800 appointees to agencies: 240 full-time, 3,560 part-time. These people are appointed according to their specific qualifications and expertise, as well as with geographic, interest group and specialist representation, and bilingual capacity considerations in mind.

The Premier's Office and Cabinet Office coordinate all appointments by the Lieutenant-Governor and individual ministers. A record of all current appointments is maintained along with a talent bank of some potential candidates who have expressed an interest or who have had their names put forward for future consideration. In addition, each minister may maintain a talent bank.

For existing agencies, the Government Appointments Office advises the Premier and the responsible ministers of appointment vacancies six months in advance. The Premier, ministers and agency heads may recommend re-appointments or names of other suitable candidates.

IS THERE A SET TERM?

Terms vary from agency to agency. Most often, the enabling legislation defines the term of appointment. Usually, a term is three years, with an allowable re-appointment for up to a further three years.

The actual Term of Appointment is set by the Lieutenant-Governor and is stated in your appointing Order-in-Council or letter from your minister.

WHAT AM I CONSIDERED AS AN APPOINTEE OF THE ONTARIO GOVERNMENT?

As an appointee, you're considered to be a "crown employee" as defined under the Public Service Act. You're *not* a public servant *nor* a civil servant. Under the Act, crown employees are mentioned but their rights and benefits aren't detailed. The Employment Standards Act is the reference for the province's basic employment standards.

REMUNERATION

Remuneration for appointees to agencies is based on principles set in Management Board of Cabinet's Directives:

- An element of public service is implied in any appointment to an agency of the Government of Ontario. Remuneration is not expected to be competitive with the marketplace.
- Remuneration should reflect the nature of the service, the complexity of the agency's tasks and the time required of the appointee.
- An appointee's specific qualifications should not be a factor in determining an appropriate rate of remuneration.
- Appointees are not required to be paid, nor are they required to be paid at any maximum rate that may be established by the Management Board of Cabinet.

Depending upon an agency's legislation and workload, its appointees may serve on a full-time or part-time basis. Remuneration for these two arrangements differ.

ARE APPOINTEES PAID?

HOW ARE PART-TIME APPOINTEES PAID?

REMUNERATION FOR PART-TIME APPOINTEES

Appointees to a number of Ontario's agencies do not receive any payment for their services beyond the reimbursement of out-of-pocket expenses. Generally, however, part-time appointees are paid according to the amount of work they perform. This would mean preparation time for, and physical attendance at, meetings or hearings and the writing of decisions.

Appointees assume the duties of the appointment along with their normal duties. Because appointments carry with them the notion of "public service", they aren't expected to be an appointees' primary source of income.

Pay for part-time appointees is calculated on a per diem basis (work periods of more than three hours). One half the established per diem rate is paid for work periods of less than three hours.

Management Board of Cabinet sets the ranges of rates for part-time appointees. Three levels reflect various services performed by agencies:

LEVEL I — basic

Members	— up to \$150 per day
Vice Chair	— up to \$175 per day
Chair	— up to \$225 per day

LEVEL II — specific expertise/decisions

Members	— up to \$200 per day
Vice Chair	— up to \$250 per day
Chair	— up to \$350 per day

LEVEL III — labour relations/decisions

Members	— up to \$275 per day
Vice Chair	— up to \$350 per day
Chair	— up to \$550 per day

If you don't know which level your agency has been assigned, this information is available from your agency head or ministry.

WHAT ARE THE PER DIEM RATES?

Sometimes legislation or common practice requires appointees to have specific professional qualifications such as medical or legal expertise. In these cases, professional per diem rates may apply, with Management Board of Cabinet approval.

Most often, appointees need a minimal amount of time to prepare for a meeting or hearing. There are occasions, however, when more preparation time is needed. Management Board Directives allow an agency head to authorize an appropriate amount of preparation time for compensation.

Discuss this issue with your agency head and determine whether preparation time will be a factor in your work. If you are an agency head, discuss the parameters for payment of your managing board's preparation time with your minister and/or deputy minister.

If you're eligible under ministry guidelines, Management Board Directives allow for the payment of travel time. The rate is not to exceed 60 per cent of the prorated approved per diem rate.

Yes. You'll be reimbursed for travel, meals, accommodation and other out-of-pocket expenses. Management Board Directives, as well as your ministry's manual of administration, establish the parameters for payment.

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REMUNERATION FOR FULL-TIME APPOINTEES

HOW ARE FULL-TIME APPOINTEES PAID?

Full-time appointees are paid an annual salary as set out in their authorizing Order-in-Council.

Management Board of Cabinet approves all full-time appointees' salaries. Currently, salary ranges and annual increments are tied to the Ontario Public Service salaries for executive and management staff.

Most full-time appointees receive a cheque every two weeks. The Ministry of Government Services administers the payroll for executives of Schedule I agencies, the agency administers for Schedule II and III agencies, ministries administer the payroll for management categories, and some appointees are paid directly by their agency.

Deductions for Unemployment Insurance and Income Tax are usually taken at source.

ARE ANY EMPLOYEE BENEFITS AVAILABLE?

Benefits for full-time appointees may be detailed within the enabling legislation or Order-in-Council establishing the agency. In many cases, however, details aren't provided.

The Ontario Employment Standards Act sets the minimum base for all employees in Ontario.

Full-time appointees often receive benefits comparable to management and executive classifications of the Ontario Public Service or salary in lieu of benefits, subject to negotiation between you and the chair of your agency or the ministry. Discuss this with your agency head or ministry Human Resources Branch to determine what benefits may be applicable for your agency.

WILL MY OUT-OF-POCKET EXPENSES BE COVERED?

As with part-time appointees, your travel, meals, accommodation and other expenses incurred while carrying out your duties will be reimbursed. The parameters for payment are outlined in Management Board of Cabinet Directives, as well as your ministry's manual of administration.

A MAY I BE ELIGIBLE FOR RELOCATION EXPENSES?

As a full-time appointee, you may be reimbursed for relocation expenses at the discretion of your deputy head*. This may be negotiated at the time of your recruitment, using the Relocation Expenses Directive as a guide.

**A deputy head is the deputy minister of a ministry, a senior official who has the rank and status of a deputy minister, or an agency head.*

MAY I USE A GOVERNMENT VEHICLE ON AGENCY BUSINESS?

A government vehicle may be available for your business use. Vehicles used on a full-time basis or for personal use are subject to income tax.

MAY I EXTEND HOSPITALITY AND BE REIMBURSED?

In some cases, agency heads have been delegated the authority from their Deputy Minister to extend hospitality. Agency heads may wish to discuss this with your Deputy.

WHAT'S THE RELATIONSHIP BETWEEN A MINISTER AND AN AGENCY?

AGENCY ADMINISTRATION

Your agency's mandate was set by the government through legislation. The agency status removes this mandate from the day-to-day business of government. A minister is assigned responsibility, and consequently accountability, for this agency. A board is appointed to carry out the mandate within the framework of the legislation. The board, through its chair, needs to assure its minister that the agency is being run effectively and efficiently, and that public funds are being used wisely.

A Memorandum of Understanding is the mechanism used most often to ensure appropriate communication between agencies and ministries. It's recommended that all agencies enter into such an agreement, though it may not be mandatory.

WHAT'S A MEMORANDUM OF UNDERSTANDING?

A Memorandum of Understanding is an agreement entered into by a minister and an agency head, and approved by Management Board of Cabinet. This agreement, supplemental to the agency's enabling legislation, clarifies the agency's mandate, sets out the linkages between the agency and its ministry, and determines the administrative ground rules for the agency's operation.

Management Board of Cabinet Directives specify that all operational agencies and any Schedule I advisory and regulatory agencies not adhering to the criteria of the schedule must prepare a Memorandum of Understanding. Because this exercise is so useful, it's recommended for all agencies.

WHAT'S INCLUDED IN A MEMORANDUM OF UNDERSTANDING?

Some or all of these points should be addressed in your agency's Memorandum:

- purpose and legislative authority of the agency
- roles and responsibilities of the minister, ministry staff, agency board and agency staff
- respective policy and planning roles of the agency and the ministry financial arrangements
- administrative arrangements
- staffing requirements
- reporting requirements, including a Corporate Plan
- auditing arrangements
- Sunset Review date.

W **HAT'S A** **CORPORATE PLAN?**

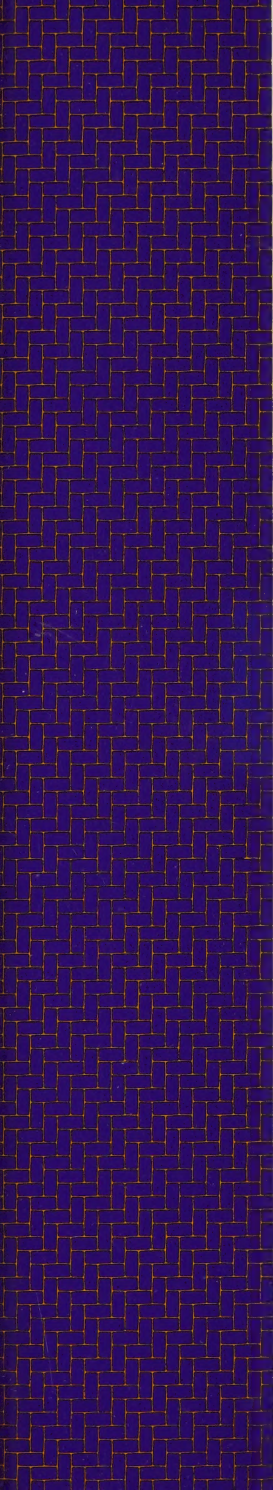
All Schedule II agencies are required to prepare corporate plans, though it's a good practice for all operational agencies. These plans are prepared annually on a three-to five-year rolling basis. They usually include major initiatives to be undertaken, corporate objectives for the plan period, and general performance criteria.

The agency board approves the plan and then requests ministry support of its strategic direction. If funds from the Consolidated Revenue Fund are needed to fund the plan, formal government approval is needed.

W **HAT'S** **SUNSET REVIEW?**

Agencies that are established for a short term must include termination dates in their constituting instruments. Advisory agencies and operational agencies without corporate plans must complete Sunset Reviews at least every five years.

The responsible ministry conducts the Review with agency involvement. The review examines whether there's a need for the agency as originally established or whether the agency's mandate or structure should be changed. Management Board of Cabinet reviews and approves the recommendations.





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